

§ 598.2

are issued by the Department of Agriculture.

[63 FR 19155, Apr. 16, 1998, as amended at 66 FR 35855, July 9, 2001]

§ 598.2 Objective and purpose.

The purpose of this part is to provide for the establishment of Empowerment Zones in urban areas, to stimulate the creation of new jobs—empowering low-income persons and families receiving public assistance to become economically self-sufficient—and to promote revitalization of economically distressed areas.

§ 598.3 Definitions.

In addition to the definitions of “HUD” and “Secretary” found in 24 CFR 5.100, the following definitions apply to this part.

Census tract means a census tract, as the term is used by the Bureau of the Census, or, if census tracts are not defined for the area, a block numbering area.

Designation means the process by which the Secretary designates urban areas as Empowerment Zones eligible for tax incentives and credits established by Subchapter U of the Internal Revenue Code of 1986, as amended (26 U.S.C. 1391, *et seq.*) and for special consideration for programs of Federal assistance.

Developable site means a parcel of land in a nominated area that may be developed for commercial or industrial purposes.

Empowerment Zone means an urban area so designated by the Secretary in accordance with this part.

EZ/EC SSBG funds means any funds that may be provided to States or Tribes by HHS in accordance with section 2007(a) of the Social Security Act (42 U.S.C. 1397f), for use by the designated Round II Empowerment Zone.

HHS means the U.S. Department of Health and Human Services.

Local government means any county, city, town, township, parish, village, or other general purpose political subdivision of a State, and any combination of these political subdivisions that is recognized by the Secretary.

Nominated area means an area nominated by one or more local governments and the State or States in which

24 CFR Ch. V (4–1–07 Edition)

it is located for designation in accordance with this part.

Revocation of designation means the process by which the Secretary may revoke the designation of an urban area as an Empowerment Zone. (See subpart E of this part.)

State means any State of the United States.

Urban area means:

(1) An area that lies inside a Metropolitan Statistical Area (MSA), as designated by the Office of Management and Budget; or

(2) An area outside an MSA if the jurisdiction of the nominating local government documents:

(i) The urban character of the area, or

(ii) The link between the area and the proposed area in the MSA.

§ 598.4 Period of designation.

The designation of an urban area as an Empowerment Zone will remain in full effect during the period beginning on the date of designation and ending on the earliest of:

(a) The close of the tenth calendar year beginning on the date of designation;

(b) The termination date designated by the State and local Governments in their application for nomination; or

(c) The date the Secretary modifies or revokes the designation.

Subpart B—Eligibility Requirements

§ 598.100 Eligibility requirements.

A nominated urban area is eligible for designation in accordance with this part only if the area:

(a) Has a maximum population that is the lesser of:

(1) 200,000; or

(2) The greater of 50,000 or ten percent of the population of the most populous city located within the nominated area;

(b) Is one of pervasive poverty, unemployment and general distress, as described in § 598.110;

(c) Does not exceed twenty square miles in total land area, excluding up to three noncontiguous developable sites that are exempt from the poverty criteria;